

**DOWNTOWN RESIDENTIAL  
REHAB PROGRAM  
(DRRP)  
SEMINAR**

***MAY 24, 2017***



# PRESENTATION OVERVIEW

1. INTRODUCTION
  - a) Purpose of the DRRP
  - b) TIF Area Map
  - c) Program Guidelines
2. APPLICATION PROCESS
  - a) Program Timeline
  - b) Application Form
  - c) Feasibility Analysis Worksheet
3. AWARDING PROCESS
  - a) Evaluation of Credit and Financing
  - b) Value of Project to Area – Scoring Process
  - c) City Council Committee Review and Approval
4. PLANNING AND CONSTRUCTION PROCESS
  - a) Submittal of Plans
  - b) Physical Inspection and Code Review
  - c) Construction and Review / Invoice Payment
5. Q&A / WRAP-UP

# **INTRODUCTION**

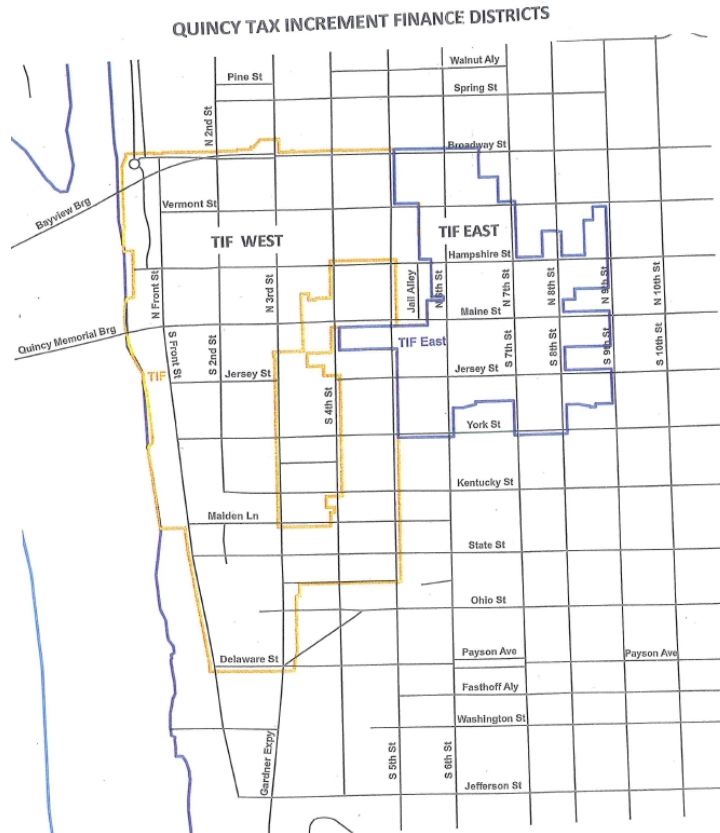
## ***PURPOSE OF THE DRRP***

SIMPLY STATED:

TO ENCOURAGE THE DEVELOPMENT OF MARKET  
RATE APARTMENTS IN THE DESIGNATED TIF AREAS  
SPECIFICALLY IN VACANT UPPER STORY LOCATIONS

# INTRODUCTION | *TIF AREA MAP*

To be eligible for this program **your property must be located** within the borders of **TIF West or TIF East areas** as shown on the maps in your packets.





# INTRODUCTION | *PROGRAM GUIDELINES*

- A copy of the DRRP Program Guidelines are included in your packets.
- Guidelines were developed from looking at many other successful city's programs.
- Some of the mechanics of the program were also taken from the successful Small Rental Rehab program that the City ran for many years.
- Let's look at a couple of key points to the guidelines

# APPLICATION PROCESS

## *PROGRAM TIMELINE*

Important dates to remember (subject to slight change depending on calendar):

- **July 1** – Advertise for current year round applications.
- **August 1** – Applications due to City – during August if questions arise about application Owners will be contacted.
- **September 1** – Eligible projects will be submitted to City TIF Committee and recommendations submitted for final approval by City Council.
- **Late September** – City Council will make formal vote for approval of recommended projects.
- **October 1** – Approved projects may begin their site inspections and plan review with City.
- **October 30** – Construction may begin on reviewed and approved projects.

# APPLICATION PROCESS

## *APPLICATION FORM*

- The full DRRP application form is attached in your packets
- This is the form that will start the process of applying for a project with the City Planning and Development office.
- This form is also available on the City website. You must login to City website to receive the form and the program guidelines.
- There is also a schedule of attachments on the last page that must be submitted with the application for it to be complete. (Let's review a few of these items)
- During the application period and BEFORE the deadline date, you may call the City Planning and Development office on questions related to your application.
- The last step in the application process will be a preliminary walkthrough of the property by City Building Officials, City Fire Department and TIF administrator.

# **AWARDING PROCESS**

## ***Evaluation of Credit and Financing***

- All projects that pass the Application Process will move on to the Awarding Process for final selection
- The first item that will be reviewed in all applications will be information on financing and credit worthiness.
  - Bank Support letter must be submitted
  - Other private financing information may be submitted and considered as well
- City review committee will be following-up with lenders and performing due diligence on all financial info submitted.
- A feasibility study that includes estimates of rental income, property expenses and debt load and renovation costs must also be submitted with your application per the DRRP guidelines. At this time, that feasibility study will be reviewed and you may be contacted to explain some of the items and projections.

# **AWARDING PROCESS**

## ***VALUE OF PROJECT – SCORING PROCESS***

- The TIF committee has developed a method of scoring projects to determine which projects bring the most value for the TIF dollars distributed.
- Some examples of those scoring items are:
  - Credit Scores
  - Amount of private financing vs. TIF financing
  - Number of units in the development
  - Timeline to complete project
  - Amount of increase in property tax assessment after completion
- These and other considerations will be taken into account

# **AWARDING PROCESS**

## ***CITY COUNCIL REVIEW AND APPROVAL***

- Ultimately the City Council controls the disbursement of TIF funds and will make final approval of projects to proceed with and amounts to be disbursed.
- The DRRP is a portion of the Council approved distribution of funds for the entire TIF areas and as such the amounts available for the DRRP may change from year to year.
- The goal of the program is to have at least \$100,000 available in any given year.
- \$135,000 was awarded in 2015 to 3 approved projects. Those projects will result in 7 total renovated units in 3 different properties.
- \$75,000 was awarded in 2016 to 1 approved project. The project will result in 3 total renovated units in 1 building.

# PLANNING AND CONSTRUCTION PROCESS

## *SUBMITTAL OF PLANS*

- Preliminary plans and cost estimates are required first during the application process. Preliminary plans should consist of basic floor plans, ingress and egress areas, basic overall room dimensions.
- More detailed plans of the overall development and layout of the units and building will also need to be submitted after approval of your project.
- Detail level of your final plans will be determined by the complexity of the project and the changes being made to the property.
- Guidance from the City Planning and Development office is available to assist you in this area.

# PLANNING AND CONSTRUCTION PROCESS

## *PHYSICAL INSPECTION AND CODE REVIEW*

- Awarded projects will be subject to a more thorough site inspection based on detail submitted plans.
- During this inspection process detailed comments will be given to owners and contractors indicating any changes required or additional considerations.
- After final approval of this part of the process, a Building Permit will be issued and owner/contractor may move on to the Construction Phase.
- Enterprise zone benefits are available for these projects in the form of half price building permits and sales tax exemption on building materials (Note: Illinois Department of Revenue guidelines must be followed)



# PLANNING AND CONSTRUCTION PROCESS

## *CONSTRUCTION AND REVIEW*

- Owner / Contractor must submit a list of all subcontractors and their insurance certificates must be on file with the City
- Where required (roofing, plumbing, electrical) Contractor licenses must also be on file with the City
- Please refer to the Project Setup section of the DRRP guidelines and let's review a couple of key points.
  - Leveraging funds (Owner's funds) must be deposited in the City escrow account prior to any work commencing.
  - As work progresses, invoices must be submitted to the City Planning office and those will be paid directly from the escrow account to the contractors.
  - Once Owner leveraging funds are exhausted, the City will deposit their funds into the escrow account and then those funds will be used to pay invoices.
  - If project runs over budget, it still must be completed out of owner private funds

# Q&A / WRAP-UP

WHAT QUESTIONS DO YOU HAVE?

CATHY SCHLUCKEBIER

CITY OF QUINCY PLANNING & DEVELOPEMENT OFFICE

(217) 228-4515

BRUCE GUTHRIE

THE DISTRICT

(217) 228-8696



# Q&A / WRAP-UP

SO LETS END WITH A LITTLE DRRP  
POP QUIZ

# Q&A / WRAP-UP

HOW MUCH MONEY IS AVAILABLE PER  
UNIT FROM THE DRRP PROGRAM?

**\$25,000 PER UNIT**

# Q&A / WRAP-UP

FROM THE TIME OF RECEIVING YOUR  
BUILDING PERMIT HOW LONG DO YOU  
HAVE TO COMPLETE YOUR PROJECT?

ONE YEAR

# **Q&A / WRAP-UP**

ARE ALL PROJECTS IN THE DISTRICT  
ELIGIBLE FOR THE DRRP?

**NO, ONLY PROJECTS  
IN THE DESIGNATED  
TIF AREAS ARE  
ELIGIBLE**

# Q&A / WRAP-UP

HOW MANY YEARS DOES THE  
FORGIVABLE LOAN RUN FOR?

**FIVE YEARS TOTAL – ALL  
PROJECTS WILL BE INSPECTED  
ANNUALLY ON THE  
ANNIVERSARY OF THEIR  
COMPLETION DATES**

# **Q&A / WRAP-UP**

## **WILL MY TAXES GO UP?**

**YES – THIS PROGRAM IS BASED ON RAISING THE  
EQUALIZED ASSESSED VALUE OF THE PROPERTY TO PAY  
THE TIF BACK FOR THE FORGIVEABLE LOAN**

**BUT! HERE'S THE GOOD PART. THE ADDITIONAL MONEY  
COLLECTED BY THE RAISED ASSESSMENTS GOES BACK INTO  
THE TIF AND WILL ALLOW US TO EXPAND THIS PROGRAM!**











